

REASON FIVE

A Workforce Worth Rewarding Make the Most of Human Capital

By Alan Horowitz

ROSSIGNOL EMPLOYEES BIKE THE GLENN WILD TRIAL DURING LUNCH.



“UNIQUE” IS A WORD THAT IS OFTEN MISUSED. When describing Utah’s workforce, however, it is perfect. With the youngest workforce in the country, no other state can compare to Utah’s fertile ground for business growth and development.

According to U.S. Census figures, the nation’s workforce is dominated by baby boomers, the oldest of whom are now in their 60’s. Utah’s workforce, by comparison, is dominated by much younger workers. 48 percent of the state’s population is 35 years old or younger, and no other state breaks even the 40 percent barrier in this regard. Utah is also growing, with a 2.7 percent increase in population during 2006, which is three times the national average.

The future is bright, according to Mark Knold, chief economist for the Utah Department of Workforce Services, who notes that the largest age group in Utah is between the ages of zero and ten. “We’re into our third baby boom, while the nation had only one,” he says. “In 20 years, there will be another large grouping coming into the labor force.”

A HEALTHY AND WISE WORKFORCE

Peter Metcalf moved his business, Black Diamond Equipment, a manufacturer of climbing and skiing equipment, from Ventura, Calif. to Salt Lake City in 1991. His Utah workforce of about 300 employees is diverse, (including Tibetans, Bosnians, Vietnamese, Hispanics and others) hard working and well educated.

“It’s a motivated group of people,” says Metcalf, who has hired from the state’s universities. “There are good universities here. We’ve hired [engineering and design graduates] out of BYU, which is a great university, and also the University of Utah.”

As Metcalf found, there is more to the quality of Utah’s workforce than just its young age and high growth rate. The 2005 National Healthcare Quality Report, published by the federal Agency of Healthcare Quality and Research

published, compared the quality of health care among the 50 states. Of the seven states that received the highest rating of “strong,” Utah stood alone among the Rocky Mountain and West Coast states.

Utah ranks fourth highest in the country for the percentage of people 25 years and older who have completed high school, with 90.7 percent, and Utah’s high school seniors rank third in the nation by the College Board in earning college credits through advanced placement exams.

“We’ve gotten high level people from very large, global companies because of where we’re located and who we are,” Metcalf says. He also reports that the incidence of workers’ comp claims and questionable claims are lower in Utah than other areas of the country.

Rossignol North America, a division of Quiksilver Inc., moved its headquarters to Park City, a ski-resort town located 40 minutes from downtown Salt Lake City. Executives at the company, which is one of world’s largest ski manufacturers,

have been pleased with the workforce it has attracted in Utah. “We were overwhelmed when we posted jobs. We’re very satisfied with the people we’ve hired,” says Rossignol President Francois Goulet.

As Metcalf acknowledged, part of the quality of Utah’s workforce can be attributed to the quality of the state’s educational institutions. The University of Utah, with its 27,000 students, boasts a renowned medical and biotechnology program, which is responsible for developments such as the artificial heart. The school also hosts well-developed computer and engineering programs, whose graduates have founded companies like Adobe, Pixar and WordPerfect.

With its business and law schools regularly ranked among the top 50 nationally, Brigham Young University has about 30,000 students. The school is also known worldwide for its language training programs, with more than 60 languages taught there.

Utah State University, the state’s third largest research institution, has roots in agricultural economics, but

its Space Dynamics Laboratory, located on the north end of campus, claims more science projects sent to space than any other university in the country. Across the state, other higher education institutions are churning out graduates who are ready to hit the workforce head-on. Weber State University and Southern Utah University round out the four-year schools, and a number of two-year programs are located in smaller communities, from St. George to Brigham City.

More recently, when Viracon decided to open its first manufacturing facility in the West, company President Don Pyatt assumed it would go to Phoenix or Las Vegas. Instead, the firm established its western beachhead in St. George, the economic hub of southwest Utah.

Electrical costs, location, availability of land and the workforce were all factors that convinced the Minnesota-based architectural glass fabricator to come to Utah, Pyatt says. The company recently opened its St. George plant with a workforce of 140, and plans to grow to 250 to 300 within a

couple of years. "We have had plenty of people looking for jobs and lots of choices of whom to hire," says Pyatt. "The education level is quite good."

QUALITY IS THE BYWORD

"The quality of the workforce is the thing we hear most from new businesses coming here," says Alison McFarlane, senior advisor for economic development in Salt Lake City. "It is a very accessible, capable, well-educated workforce."

As an example, McFarlane highlights the United States Postal Service, which had 15 encoding centers around the country, including one in Utah that had 700 employees. The Postal Service decided to close all but two centers, with Salt Lake City's among the survivors. The site is now the workplace of more than 1,500 employees.

"Ours was the most efficient," reports McFarlane. "There were a broad range of employees to choose from, and the Postal Service was able to main its 24-hour-a-day operation. People are just amazed at how hard people here work. It seems to surprise a lot of employers."

"It's a phenomenal workforce for several reasons," agrees Deedee Corradini, senior vice president of corporate development for Prudential Utah Real Estate, and former Salt Lake City mayor. "It's young, highly educated, it has a high work ethic and a hard work ethic."

THE BIG ATTRACTION

Part of the reason companies are so successful in attracting the right people to Utah is because of ambitious state programs geared to helping local businesses get the workforce they need. Among those is the Utah Recruitment Initiative (URI), which is bringing together state, private sector, and education resources to both recruit seasoned professionals and keep a larger portion of university graduates working at Utah companies. URI helps employers gain access to otherwise untapped pools of talent. For example, URI has an effort underway to connect with talented people who have left the state for greener pastures elsewhere, but would love to return home if good job opportunities are available.

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PRESIDENT, VIRACON



The Custom Fit program, which is administered by community colleges and applied technology centers, provides training that is specifically tailored to the employer's needs, says Jason Perry, executive director of GOED. The state's colleges provide a wide variety of courses and programs aimed at the needs of employers. Black Diamond, for example, has tapped into resources at Salt Lake Community College to train its workers on manufacturing processes, including machinists and other specific positions.

There are also tax credits and cash grant programs, both of which are tied to the wages offered by Utah companies, Perry says. Additionally, the state's Department of Workforce Services has a sophisticated Web-based system that matches employees and employers.

"I said I was relocating here because I wanted our location to reside on the asset side of our balance sheet, not the liability side," says Black Diamond's Metcalf. "The company has benefited magnificently by its decision to relocate here."

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Mark Knold

SENIOR ECONOMIST,
UTAH DEPARTMENT OF WORKFORCE
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